

PEREKRESTOK, TINKOFF BANK AND MASTERCARD OFFER CO-BRANDED CARDS TO THEIR CUSTOMERS

Moscow, 14 March 2018 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), Tinkoff Bank and the Mastercard announce the launch of the Tinkoff–Pereskrestok World Mastercard debit and credit cards. These cards, offered across Russia, provide benefits to customers making purchases at Perekrestok stores or online at perekrestok.ru¹.

The Tinkoff–Perekrestok card will allow its holders to collect bonus points that may be used to pay for purchases at Perekrestok stores or online, with every 10 points equivalent to RUB 1. Purchases made in Perekrestok stores and online at perekrestok.ru will earn the cardholders more points. For every RUB 10 spent with the supermarket chain, a customer will have 3 bonus points added to his or her debit card and 5 points added to his or her credit card. For every RUB 10 spent at perekrestok.ru, the cards will accrue 4 and 6 points, respectively. On top of that, the card offers free delivery for all orders placed at perekrestok.ru in the first three months after the card is activated.

“This new co-branded product will help expand the pool of our partner banks, while also attracting new customers to our stores and offering them more favourable purchasing terms,” Dmitry Medvedev, Head of Marketing at Perekrestok, commented. *“To maximise their benefits and points, our customers will need to make online purchases at perekrestok.ru. We are planning to extend the online supermarket’s coverage area to the Moscow region and St Petersburg shortly.”*

“We are happy to announce the launch of our new co-branded Tinkoff–Perekrestok debit and credit cards issued in partnership with the Perekrestok retail chain and Mastercard. Focusing on Perekrestok customers as the primary target audience, these cards offer multiple benefits. They include up to 8,000 bonus points awarded upfront, as well as points given for purchases at stores, gas stations, pharmacies and restaurants, interest accrued on account balance, free cash withdrawals worldwide and many others, making daily purchases more beneficial and convenient,” commented Alexander Bro, Head of Partnership and Loyalty Programmes at Tinkoff Bank.

“The market is developing rapidly and today customers expect products and services to meet their needs. Co-branding products are not an exception. Partnerships with large chains and service-providers enable us to take into account the interests of different target audiences and allow them to pay for goods and services in the most convenient, quick and safe way, while at the same time benefiting from additional bonuses,” noted Ivan Isaenko, Market Development Director at Mastercard.

No service fees are charged on Tinkoff–Perekrestok debit cards. Cardholders will be able to withdraw cash worldwide with no fees, and can top up their cards at over 300,000 points across Russia. Tinkoff Bank’s clients may simultaneously use both debit and credit cards, with all points earned for purchases being accrued to a single bonus account.

All Tinkoff–Perekrestok cards support contactless payments, including through Android Pay, Apple Pay and Samsung Pay.

¹ Valid for Moscow and some cities in the Moscow Region

Note to Editors:

X5 Retail Group N.V. (LSE and MOEX: FIVE, Fitch – ‘BB’, Moody’s – ‘Ba2’, S&P – ‘BB’, RAEX – ‘ruAA’) is a leading Russian food retailer. The Company operates several retail formats: the chain of proximity stores under the Pyaterochka brand, the supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand and Express convenience stores under various brands.

As of 31 December 2017, X5 had 12,121 Company-operated stores. It has the leading market position in both Moscow and St Petersburg and a significant presence in the European part of Russia. Its store base includes 11,225 Pyaterochka proximity stores, 638 Perekrestok supermarkets, 93 Karusel hypermarkets and 165 convenience stores. The Company operates 39 DCs and 3,144 Company-owned trucks across the Russian Federation.

For the full year 2016, revenue totalled RUB 1,033,667 mln (USD 15,420 mln), Adjusted EBITDA reached RUB 79,519 mln (USD 1,186 mln), and net profit for the period amounted to RUB 22,291 mln (USD 333 mln). In 9M 2017, revenue totalled RUB 933,303 mln (USD 15,999 mln), EBITDA reached RUB 72,392 mln (USD 1,241 mln), and net profit amounted to RUB 25,975 mln (USD 445 mln).

X5’s Shareholder structure is as follows: CTF Holdings S.A. – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.06%, treasury shares – 0.01%, Shareholders with less than 3% – 40.63%.

Mastercard (NYSE: MA), www.mastercard.com, is a technology company in the global payments industry. We operate the world’s fastest payments processing network, connecting consumers, financial institutions, merchants, governments and businesses in more than 210 countries and territories. Mastercard’s products and solutions make everyday commerce activities – such as shopping, traveling, running a business and managing finances – easier, more secure and more efficient for everyone. Follow us on Twitter @MastercardNews, join the discussion on the Cashless Conversations Blog and subscribe for the latest news.

TCS Group Holding PLC is an innovative provider of online retail financial services operating in Russia through a high-tech branchless platform. TCS Group includes Tinkoff Bank, mobile virtual operator network Tinkoff Mobile, Tinkoff Insurance, and Tinkoff Software DC, a network of development hubs across Russia.

The Group was founded in 2006 by the Russian entrepreneur Oleg Tinkov and has been listed on the London Stock Exchange since October 2013.

With no retail branches, the Group serves its customers remotely via online channels and its call centre, and operates a network of over 1,800 representatives to ensure smooth delivery of its products. The network covers all of Russia and allows next day delivery to most customers.

The Group’s key business is Tinkoff Bank, Russia’s first and only direct bank offering both own brand and partner retail financial services via its Tinkoff.ru platform. The product range includes daily banking (credit and debit cards, payments, money transfers), savings, investments, loyalty programmes, travel services, SME services, mortgage platform, and insurance. With its special focus on mobile business, the bank offers mobile applications both for its customer base (Mobile Bank) and beyond it (Traffic Fines, MoneyTalk, Card 2 Card instant money transfers).

As at 1 October 2017, the bank was the second largest player in the Russian credit card market, with a market share of 11.6%. The 9M 2017 IFRS net income of TCS Group Holding PLC amounted to RUB 12.6 bn, ROE stood at 48.8%.

Banki.ru, Russia's largest financial news portal, named Tinkoff Bank the Bank of the Year 2016. In October 2016 Tinkoff Bank was named the largest independent global direct bank by Frost & Sullivan. In 2015 and 2016, the Global Finance magazine named Tinkoff Bank as the Best Consumer Digital Bank in Russia. In 2016, the bank also won Global Finance's Best Integrated Consumer Bank Site award and was named the Best Digital Bank in the CEE by Euromoney. The bank's mobile application was recognised as the best in Russia by Marksw Webb Rank & Report for three consecutive years in 2014, 2015 and 2016, and by Deloitte for four consecutive years from 2013 to 2016.

Forward looking statements:

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the fact that they do not only relate to historical or current events. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "expected", "plan", "goal", "believe", or other words of similar meaning.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, a number of which are beyond X5 Retail Group N.V.'s control. As a result, actual future results may differ materially from the plans, goals and expectations set out in these forward-looking statements.

Any forward-looking statements made by or on behalf of X5 Retail Group N.V. speak only as of the date of this announcement. Save as required by any applicable laws or regulations, X5 Retail Group N.V. undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.

Elements of this press release contain or may contain inside information about X5 Retail Group N.V. within the meaning of Article 7(1) of the Market Abuse Regulation (596/2014/EU).

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